

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

WS-04235A  
Utility Source, L.L.C. (water)  
721 E. San Pedro  
Gilbert, Az 85234

U

**RECEIVED**

MAY 16 2005

AZ Corporation Commission  
Director Of Utilities

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2004
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FOR COMMISSION USE

ANN04	04
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## COMPANY INFORMATION

<b>Company Name (Business Name)</b> <u>Utility Source, L.L.C.</u>			
<b>Mailing Address</b> <u>721 E. San Pedro</u>			
(Street)			
<u>Gilbert</u>	<u>Arizona</u>	<u>85234</u>	
(City)	(State)	(Zip)	
<u>(480) 892-8756</u>	<u>(480) 892-3387</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
<b>Email Address</b> _____			
<b>Local Office Mailing Address</b> <u>saa</u>			
(Street)			
(City)			
(State)			
(Zip)			
<b>Local Office Telephone No. (Include Area Code)</b>			
<b>Fax No. (Include Area Code)</b>			
<b>Pager/Cell No. (Include Area Code)</b>			
<b>Email Address</b> _____			

## MANAGEMENT INFORMATION

<b>Management Contact:</b> <u>Pat Carpenter A Quality Water</u>			
(Name)		(Title)	
<u>2879 S. Andrews</u>	<u>Williams</u>	<u>Arizona</u>	<u>86046</u>
(Street)	(City)	(State)	(Zip)
<u>(928) 606-0498</u>			
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
<b>Email Address</b> _____			
<b>On Site Manager:</b> <u>saa</u>			
(Name)			
(Street)			
(City)			
(State)			
(Zip)			
<b>Telephone No. (Include Area Code)</b>			
<b>Fax No. (Include Area Code)</b>			
<b>Pager/Cell No. (Include Area Code)</b>			
<b>Email Address</b> _____			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

**Statutory Agent:** Sallquist & Drummond, P.C. Richard L. Sallquist

(Name)

2525 E. Arizona Biltmore Circle #A117 Phoenix

(Street)

(City)

Arizona

(State)

85016

(Zip)

(602) 224-9222

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Attorney:** saa

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☒ Limited Liability Company

☐ Other (Describe) \_\_\_\_\_

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☒ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

**COMPANY NAME**

Utility Source, L.L.C.

**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>			

This amount goes on the Balance Sheet Acct. No. 108 

The water assets were not transferred to Utility Source, L.L.C. until 2005. However, please see the attached summary of Estimated Cost Schedule which summarizes the pro-forma assets.

# UTILITY SOURCE, L.L.C.

## ESTIMATED COST (WATER)

Account No.	Item Description	Quantity	Unit	Unit Price	Sub-Total	Engineering @10%	Contingencies 5%	Total
<b>BACKBONE FACILITIES</b>								
301	Organization	1	ls	\$0	\$0			\$0
302	Franchise Cost	1	ls	\$0	\$0			\$0
303	Land and Land Rights	1	ls	\$200,000	\$200,000			\$210,000
304	Power Panel and Interconnect	1	ls	\$23,000	\$23,000	\$2,300	\$1,150	\$26,450
304	Well Enclosure	1	ls	\$20,000	\$20,000	\$2,000	\$1,000	\$23,000
304	Fencing	1	ls	\$52,000	\$52,000	\$5,200	\$2,600	\$59,800
307	Shallow Wells No. 1, 2, & 3	1	ls	\$120,000	\$120,000	\$12,000	\$6,000	\$138,000
307	Deep Well No. 1	1	ls	\$185,000	\$185,000	\$18,500	\$9,250	\$212,750
307	Deep Well No. 2	1	ls	\$210,000	\$210,000	\$21,000	\$10,500	\$241,500
307	Deep Well No. 3	1	ls	\$787,000	\$787,000	\$78,700	\$39,350	\$905,050
310	Power Generation Equipment	1	ls	\$76,000	\$76,000	\$7,600	\$3,800	\$87,400
311	Well Pump, Pipes and Controls	1	ls	\$140,000	\$140,000	\$14,000	\$7,000	\$161,000
320	Water Treatment Equipment	1	ls	\$0	\$0	\$0	\$0	\$0
330	Site Grading	1	ls	\$0	\$0	\$0	\$0	\$0
330	258,000 Gallon Water Storage Tank	1	ls	\$95,000	\$95,000	\$9,500	\$4,750	\$109,250
330	422,000 Gallon Water Storage Tank	1	ls	\$142,000	\$142,000	\$14,200	\$7,100	\$163,300
330	Reservoir Piping and Appurtenances	1	ls	\$63,000	\$63,000	\$6,300	\$3,150	\$72,450
339	Miscellaneous Plant Equipment	1	ls	\$0	\$0	\$0	\$0	\$0
340	Office Furniture and Fixtures	1	ls	\$0	\$0	\$0	\$0	\$0
344	Laboratory Equipment	1	ls	\$0	\$0	\$0	\$0	\$0
	Total Backbone Facilities				\$2,113,000	\$191,300	\$105,650	\$2,409,950
<b>ON-SITE FACILITIES</b>								
331	Transmission Main	3,638	l.f.	\$35.18	\$128,000	\$12,800	\$6,400	\$147,200
333	Service Lines	150	ea.	\$500.00	\$75,000	\$7,500	\$3,750	\$86,250
335	Hydrants	15	ea.	\$2,000.00	\$30,000	\$3,000	\$1,500	\$34,500
336	Backflow Prevention Devices	0	ea.	\$0	\$0	\$0	\$0	\$0
	Total On-Site Facilities				\$233,000	\$23,300	\$11,650	\$267,950
	<b>WATER SYSTEM TOTAL</b>				<b>\$2,346,000</b>	<b>\$214,600</b>	<b>\$117,300</b>	<b>\$2,677,900</b>

**COMPANY NAME** Utility Source, L.L.C.

**CALCULATION OF DEPRECIATION EXPENSE**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
351	Organization			
352	Franchises			
353	Land and Land Rights			
354	Structures and Improvements			
355	Power Generation Equipment			
360	Collection Sewers – Force			
361	Collection Sewers – Gravity			
362	Special Collecting Structures			
363	Services to Customers			
364	Flow Measuring Devices			
365	Flow Measuring Installations			
370	Receiving Wells			
380	Treatment and Disposal Equip.			
381	Plant Sewers			
382	Outfall Sewer Lines			
389	Other Plant and Misc. Equipment			
390	Office Furniture and Equipment			
391	Transportation Equipment			
393	Tools, Shop and Garage Equip.			
394	Laboratory Equipment			
395	Power Operated Equipment			
398	Other Tangible Plant			
	<b>TOTALS</b>			

This amount goes on the Comparative Statement of Income and Expense Acct. 403 

The water assets were not transferred to Utility Source, L.L.C. until 2005.  
However, please see the attached Water Depreciation Schedule.

# UTILITY SOURCE, L.L.C.

## WATER DEPRECIATION EXPENSE

Account Number	Description	Plant in Service	Staff Recommended Rates	Annual Depreciation Expense
301	Organization	\$0		
302	Franchise Cost	\$0		
303	Land and Land Rights	\$210,000		\$0
304	Structures and Improvements	\$109,250	2.50%	\$2,731
307	Wells and Springs	\$1,497,300	3.33%	\$49,905
310	Power Generation Equipment	\$87,400	5.00%	\$4,370
311	Electric Pumping Equipment	\$161,000	12.50%	\$20,125
320	Water Treatment Equipment	\$0	3.33%	\$0
330	Dist. Reservoir and Standpipe	\$345,000	2.22%	\$7,659
331	Transmission and Distribution Mains	\$147,200	2.00%	\$2,944
333	Services	\$86,250	3.33%	\$2,872
334	Meters	\$0	8.33%	\$0
335	Hydrants	\$34,500	2.00%	\$690
336	Backflow Prevention Devices	\$0	6.67%	\$0
339	Miscellaneous Equipment	\$0	6.67%	\$0
340	Office Furniture and Fixtures	\$0	6.67%	\$0
341	Transportation Equipment	\$0	20.00%	\$0
343	Tools and Work Equipment	\$0	5.00%	\$0
344	Laboratory Equipment	\$0	10.00%	\$0
345	Power Operated Equipment	\$0	5.00%	\$0
346	Communications Equipment	\$0	10.00%	\$0
347	Miscellaneous Equipment	\$0	10.00%	\$0
348	Other Tangible Plant	\$0	2.50%	\$0
<b>Totals</b>		<b>\$2,677,900</b>	<b>3.41%</b>	<b>\$91,296</b>

**COMPANY NAME**    Utility Source, L.L.C.

**BALANCE SHEET**

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$	\$
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$	\$
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$	\$
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation -- Utility Plant		
121	Non-Utility Property		
122	Accumulated Depreciation -- Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$	\$
	<b>TOTAL ASSETS</b>	\$	\$

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

The water assets were not transferred to Utility Source, L.L.C. until 2005.  
However, please see the attached Pro-Forma Balance Sheet.



**COMPANY NAME**    Utility Source, L.L.C.

**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	\$	\$
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$	\$
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$	\$
	<b>TOTAL LIABILITIES</b>	\$	\$
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$	\$
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$	\$

# UTILITY SOURCE, L.L.C.

## PROFORMA BALANCE SHEET

	End 2005	Year Two	Year Three	Year Four	Year Five
<b>ASSETS</b>					
Cash	(\$995)	\$36,984	\$32,589	\$33,994	\$16,684
Water Land	\$210,000	\$210,000	\$210,000	\$210,000	\$210,000
Production & Storage Plant in Service	\$2,467,900	\$3,123,400	\$3,298,400	\$3,473,400	\$4,123,400
Less: Accumulated Depreciation	(\$91,296)	(\$190,622)	(\$295,913)	(\$407,170)	(\$540,588)
Wastewater Land	\$105,000	\$105,000	\$105,000	\$105,000	\$105,000
Wastewater Plant/ Collection Plant in Service	\$1,469,579	\$1,633,979	\$1,753,979	\$1,903,979	\$2,503,979
Less: Accumulated Depreciation	(\$65,149)	(\$128,112)	(\$195,698)	(\$269,064)	(\$365,551)
Net Plant in Service	\$4,096,034	\$4,753,646	\$4,875,768	\$5,016,144	\$6,036,240
Hook-Up Fee Reserves	\$602,000	\$535,600	\$815,600	\$1,095,600	\$475,600
Total Reserve Balance					
<b>TOTAL ASSETS</b>	<b>\$4,697,039</b>	<b>\$5,326,230</b>	<b>\$5,723,958</b>	<b>\$6,145,738</b>	<b>\$6,528,525</b>
<b>LIABILITIES</b>					
Current Liabilities:	\$0	\$0	\$0	\$0	\$0
Current Liabilities					
Deferred Credits:	\$267,950	\$473,450	\$648,450	\$823,450	\$1,023,450
Water Advances	\$0	\$0	\$0	\$0	\$0
Less: Cumulative Refunds	\$267,950	\$473,450	\$648,450	\$823,450	\$1,023,450
Net Water Advances	\$179,975	\$344,375	\$464,375	\$614,375	\$764,375
Wastewater Advances	\$0	\$0	\$0	\$0	\$0
Less: Cumulative Refunds	\$179,975	\$344,375	\$464,375	\$614,375	\$764,375
Net Wastewater Advances					
Contributions:	\$215,000	\$352,000	\$452,000	\$552,000	\$652,000
Water HUF's	\$387,000	\$633,600	\$813,600	\$993,600	\$1,173,600
Wastewater HUF's					
Total Deferred Credits	\$1,049,925	\$1,803,425	\$2,378,425	\$2,983,425	\$3,613,425
<b>CAPITAL</b>	\$3,202,554	\$3,202,554	\$3,202,554	\$3,202,554	\$3,202,554
Common Stock Issued	\$0	\$0	\$0	\$0	\$0
Long Term Debt	\$0	\$0	\$0	\$0	\$0
Less: Repayment	\$0	\$0	\$0	\$0	\$0
Balance	(\$130,440)	(\$254,749)	(\$382,021)	(\$515,241)	(\$687,454)
Retained Earnings	\$575,000	\$575,000	\$525,000	\$475,000	\$400,000
Working Capital Loan					
Total Capital	\$3,647,114	\$3,522,805	\$3,345,533	\$3,162,313	\$2,915,100
<b>TOTAL LIABILITIES &amp; CAPITAL</b>	<b>\$4,697,039</b>	<b>\$5,326,230</b>	<b>\$5,723,958</b>	<b>\$6,145,738</b>	<b>\$6,528,525</b>

Balance Sheet  
**SCHEDULE 6**

**COMPANY NAME** Utility Source, L.L.C.

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

<b>Acct. No.</b>	<b>OPERATING REVENUES</b>	<b>PRIOR YEAR</b>	<b>CURRENT YEAR</b>
461	Metered Water Revenue	\$	\$ 34,774.71
460	Unmetered Water Revenue		11,722.88
474	Other Water Revenues		
	<b>TOTAL REVENUES</b>	\$	\$ 46,497.59
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power		18,047.31
618	Chemicals		
620	Repairs and Maintenance		2,417.70
621	Office Supplies and Expense		181.00
630	Outside Services		33,661.91
635	Water Testing		15,480.60
641	Rents		
650	Transportation Expenses		
657	Insurance - General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense		221.06
403	Depreciation Expense		
408	Taxes Other Than Income		
408.11	Property Taxes		
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	\$	\$ 70,009.58
	<b>OPERATING INCOME/(LOSS)</b>	\$	\$ (23,511.99)
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$	\$ 0.00
	<b>NET INCOME/(LOSS)</b>	\$	\$ (23,511.99)

<b>COMPANY NAME</b>	Utility Source, L.L.C.
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**SUPPLEMENTAL FINANCIAL DATA**  
**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End                      \$ \_\_\_\_\_

Meter Deposits Refunded During the Test Year                      \$ \_\_\_\_\_

**COMPANY NAME** Utility Source, L.L.C.

**WATER COMPANY PLANT DESCRIPTION**

**WELLS**

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled

\* Arizona Department of Water Resources Identification Number

**OTHER WATER SOURCES**

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity

COMPANY NAME    Utility Source, L.L.C.

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6		
8		
10		
12		

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

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STRUCTURES:

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OTHER:

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COMPANY NAME: Utility Source, L.L.C.

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	87	531,609	531,609
FEBRUARY	91	466,510	466,510
MARCH	96	633,210	633,210
APRIL	116	682,977	682,977
MAY	126	990,320	990,320
JUNE	151	1,223,284	1,223,284
JULY	173	1,251,201	1,251,201
AUGUST	162	1,269,584	1,269,584
SEPTEMBER	174	1,366,724	1,366,724
OCTOBER	183	1,172,650	1,172,650
NOVEMBER	231	1,146,336	1,146,336
DECEMBER	231	1,167,384	1,167,384
TOTAL		NA	11,901,789

Is the Water Utility located in an ADWR Active Management Area (AMA)?

( ) Yes (x) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes (x) No

If yes, provide the GPCPD amount: \_\_\_\_\_

(less than)

What is the level of arsenic for each well on your system. .003 mg/l

(If more than one well, please list each separately.)

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

COMPANY NAME Utility Source, L.L.C.

YEAR ENDING 12/31/2004

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2004 was: \$ -0-

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. The water assets, including real property,

were not transferred to Utility Source, L.L.C. until 2005. Property tax

was not applicable for the year 2004.



COMPANY NAME Utility Source, L.L.C.

YEAR ENDING 12/31/2004

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported Not Applicable  
Estimated or Actual Federal Tax Liability \_\_\_\_\_

State Taxable Income Reported \_\_\_\_\_  
Estimated or Actual State Tax Liability \_\_\_\_\_

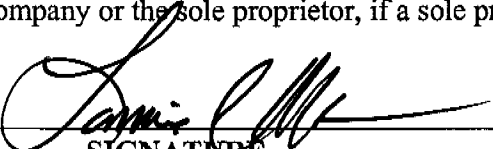
Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances \_\_\_\_\_  
Amount of Gross-Up Tax Collected \_\_\_\_\_  
Total Grossed-Up Contributions/Advances \_\_\_\_\_

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
SIGNATURE

5-16-05  
DATE

Lonnie McCleve  
PRINTED NAME

Managing Member  
TITLE

# RECEIVED

VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only

MAY 16 2005

AZ Corporation Commission  
Director Of Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>Coconino</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Lonnie McCleve</u> <u>Managing Member</u>
COMPANY NAME	<u>Utility Source, L.I.C.</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2004</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2004 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 49,531.56

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 3,033.97  
IN SALES TAXES BILLED, OR COLLECTED)

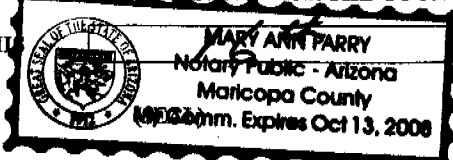
**\*\*REVENUE REPORTED ON THIS PAGE MUST  
INCLUDE SALES TAXES BILLED OR  
COLLECTED. IF FOR ANY OTHER REASON,  
THE REVENUE REPORTED ABOVE DOES NOT  
AGREE WITH TOTAL OPERATING REVENUES  
ELSEWHERE REPORTED, ATTACH THOSE  
STATEMENTS THAT RECONCILE THE  
DIFFERENCE. (EXPLAIN IN DETAIL.)**

*Lonnie McCleve*  
SIGNATURE OF OWNER OR OFFICIAL  
480-892-8756  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



DAY OF

COUNTY NAME	<u>MARICOPA</u>
MONTH	<u>5944</u> <u>2005</u>

MY COMMISSION EXPIRES

10-13-2008

*Mary Ann Parry*  
SIGNATURE OF NOTARY PUBLIC

# RECEIVED

VERIFICATION  
AND  
SWORN STATEMENT  
**RESIDENTIAL REVENUE**  
INTRASTATE REVENUES ONLY

MAY 16 2005

AZ Corporation Commission  
Director Of Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Cochise	
NAME (OWNER OR OFFICIAL) Lionie McGee	TITLE Managing Member
COMPANY NAME Utility Source, L.L.C.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION  
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2004

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

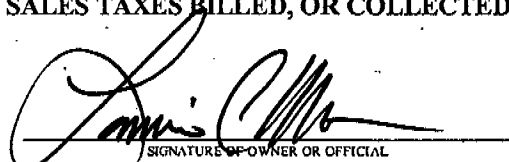
IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2004 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 36,579.20

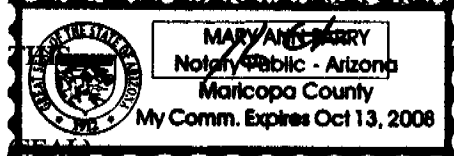
(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 2,386.79  
IN SALES TAXES BILLED, OR COLLECTED)

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

  
SIGNATURE OF OWNER OR OFFICIAL  
480-872-8756  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

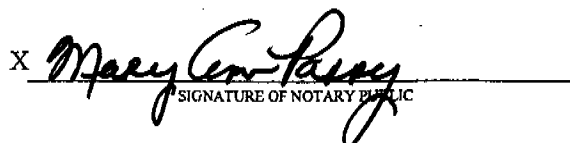
A NOTARY PUBLIC IN AND FOR THE COUNTY OF



MY COMMISSION EXPIRES

DAY OF

NOTARY PUBLIC NAME Mary Ann Barry	
COUNTY NAME Maricopa	
MONTH MAY	YEAR 2005

X   
SIGNATURE OF NOTARY PUBLIC

## **FINANCIAL INFORMATION**

Attach to this annual report a copy of the companies' year-end (Calendar Year 2004) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**